

HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

VIA AIR COURIER

January 31, 1997

Mr. Vernon Williams
Recordations Unit
Surface Transportation Board
Department of Transportation
12th and Constitution Avenue, N.W.
Washington, DC 20423

RECORDATION NO. 20537 FILED 142A
FEB 5 1997 9 45 AM

Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Lease of Railroad Equipment dated as of January 23, 1996 between the following parties:

Lessor: Helm-Atlantic Associates Limited Partnership
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

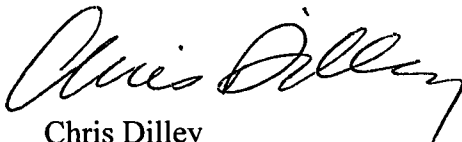
Lessee: Hydro Conduit Corporation
2840 Hillcreek Drive
Augusta, GA 30909

The equipment involved in this transaction is as follows:

Equipment: Twenty (20) open top hopper railcars (See Schedule A attached for reporting mark & numbers.)

Please file this agreement as a primary document. The filing fee of \$22.00 is enclosed.

Sincerely,



Chris Dilley
Administrative Assistant

/cpd
Enclosure

RECORDATION NO. 20537 FILED 1425

FEB 11 1997 - 9 45 AM

MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of January 23, 1996 and is intended to evidence that certain Net Lease Agreement dated as of January 23, 1996 (the "Lease") between HELM-ATLANTIC ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership ("Lessor"), and HYDRO CONDUIT CORPORATION, a Delaware corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the twenty (20) railcars, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM-ATLANTIC ASSOCIATES
LIMITED PARTNERSHIP

HYDRO CONDUIT CORPORATION

By: Helm Atlantic Corporation,
its General Partner

By: David R. Eckles

Print Name: David R. Eckles

Its: President

By: Neill Evans

Print Name: NEILL EVANS

Its: VICE PRESIDENT

SCHEDULE A

TO THE MEMORANDUM OF LEASE DATED AS OF JANUARY 23, 1996

THE UNITS

Equipment Description:

Twenty (20), 3350 cubic foot, 100-ton capacity, 4-pocket, open top hopper railcars with 45 degree slope sheets; built by Bethlehem Steel in 1974-1976.

Unit Numbers:

HATX 45100-45119

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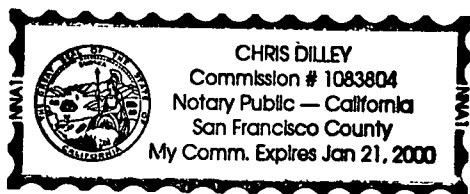
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On December 6, 1996, before me, Chris Dilley personally
appeared David R. Eckles, President of HELM ATLANTIC CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.



Chris Dilley
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF Georgia)
) S.S.
COUNTY OF Richmond)

On December 3, 1996, before me, Ronda L. Wilson personally
appeared Neill Evans, of HYDRO CONDUIT
CORPORATION,

✓ personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.

Ronda L. Wilson
SIGNATURE OF THE NOTARY

[Notarial Seal]

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